

Message Text

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51

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 ADP-00 L-03 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 PA-03 PRS-01 USIA-15 H-03 ABF-01 RSR-01 /171 W

----- 073180

R 131439Z AUG 73

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 8447

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMCONSUL JOHANNESBURG

AMEMBASSY LONDON

AMEMBASSY BERN

LIMITED OFFICIAL USE PRETORIA 2834

E.O. 11652: N/A

TAGS: EFIN, SF

SUBJECT: SOUTH AFRICAN GOLD AND FOREIGN EXCHANGE RESERVES

REF: PRETORIA 2736

1. SA RESERVE BANK HOLDINGS FOR WEEK ENDING AUGUST 3, 1973 AS
FOLLOWS (IN MILLION RAND):

GOLD 570.1 (PLUS 1.5)

FOREIGN EXCHANGE 688.2 (PLUS 2.3)

TOTAL 1,258.3 (PLUS 3.8)

INCREASE IN GOLD HOLDINGS REPRESENTS APPROXIMATELY 9.6 PERCENT OF
ESTIMATED WEEKLY PRODUCTION.

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2. DESPITE EXPRESSING SOME CONCERN OVER THE RELATIVELY SHARP

DECLINE IN THE FREE MARKET GOLD PRICE DURING THE WEEK ENDING AUGUST 11, SA PRESS REFLECTS OPTIMISM REGARDING BOTH LONG AND SHORT TERM PROSPECTS FOR GOLD INDUSTRY. RAND DAILY MAIL COMMENTED AUGUST 13 THAT IF PRICE STAYS DOWN FOR ANY APPRECIABLE LENGTH OF TIME, MINES WILL RAISE THEIR GRADE TO COMPENSATE AND NOTES THAT EVEN WITH PRICE AT \$100, MINES WILL DO WELL. SA GOLD SHARE ANALYSTS STILL PROMOTE THEME, HOWEVER, THAT PRICE WILL RISE TO \$150 BY LATE '73 OR EARLY '74. MEANWHILE, CHAMBER OF MINES REPORTED THAT PROFITS FROM GOLD MINING OPERATIONS TOTALED R 379.3 MILLION DURING FIRST SIX MONTHS OF 1973, COMPARED WITH R 219.2 MILLION DURING FIRST HALF OF 1972.

3. RECOVERY OF THE DOLLAR DURING WEEK ENDING AUGUST 11 LAID TO REST (AT LEAST TEMPORARILY) TALK OF FURTHER ADJUSTMENT OF THE RAND, CONSISTENT WITH DOLLAR DEVELOPMENTS ON THE MONEY MARKET, THE RAND RATE APPRECIATED AGAINST THE MARK (UP .2 PERCENT), THE FRANC (UP .2 PERCENT), THE YEN (UP .5 PERCENT) AND STERLING (UP 3 PERCENT) DURING THE WEEK.
SMITH

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NNN

Message Attributes

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Disposition Approved on Date:
Disposition Authority: garlanwa
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Disposition Reason:
Disposition Remarks:
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US Department of State
EO Systematic Review
30 JUN 2005

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